

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 088045

60

ORIGIN EB-07

INFO OCT-01 NEA-10 IO-13 ISO-00 COME-00 LAB-04 SIL-01

AGR-05 CIAE-00 INR-07 NSAE-00 SP-02 STR-04 TRSE-00

CIEP-01 FRB-03 OMB-01 L-03 /062 R

DRAFTED BY EB/FTD:SFOUTS:HM

APPROVED BY EB/FTD:AJWILLIAMS

NEA/PAB - MGJONES

COMMERCE - EGOTTTFRIED

LABOR - FJAMES

----- 038986

P R 122303Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD PRIORITY

INFO USMISSION GENEVA

LIMITED OFFICIAL USE STATE 088045

GENEVA FOR PHELAN

E.O. 11652:N/A

TAGS: ETRD, PK

SUBJECT:US-GOP BILATERAL COTTON TEXTILE AGREEMENT.

1. ON APRIL 5, USG REPS MET WITH GOP ECONOMIC MINISTER MUFTI TO REQUEST CONSULTATIONS CONCERNING UNDUE CONCENTRATION OF PAKISTAN COTTON TEXTILE EXPORTS TO US IN CATEGORY 43 OF AGREEMENT (SHIRTS, KNIT, OTHER THAN T-SHIRTS AND SWEATSHIRTS). SUCH CONSULTATIONS ARE PROVIDED FOR UNDER PARA 8(A) OF BILATERAL AGREEMENT. US IMPORTS FROM PAKISTAN IN CATEGORY 43 TOTALED 40.1 PERCENT OF IMPORTS IN APPAREL SUBCATEGORY OF GROUP II, PRESENTING A REAL RISK OF MARKET DISRUPTION IN THE US MARKET.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 088045

2. ALSO IN ACCORDANCE WITH PROVISIONS OF PARA 8(A) OF AGREEMENT US HAS REQUESTED THAT, UNTIL A MUTUALLY SATISFACTORY SOLUTION ON ISSUE IS REACHED, EXPORTS IN CATEGORY 43 FROM PAKISTAN FOR THE 12 MONTH PERIOD BEGINNING ON DATE OF REQUEST FOR CONSULTATIONS BE LIMITED TO 107 PERCENT OF LEVEL OF US IMPORTS IN THAT CATEGORY FOR THE YEAR ENDING JANUARY 31, 1976.

3. USG SUGGESTED CONSULTATIONS BE HELD IN WASHINGTON AT A MUTUALLY CONVENIENT DATE, AND INDICATED WE WOULD BE PLEASED TO RECEIVE GOP SUGGESTION FOR DATE.

4. MUFTI AGREED TO RELAY USG REQUEST TO GOP, AND INDICATED THAT HE ANTICIPATED GOP WOULD WISH TO HOLD CONSULTATIONS AS SOON AS POSSIBLE. MUFTI ALSO RAISED ISSUE OF PAKISTAN PROBLEMS WITH SHIPMENTS OF BAR MOPS IN CATEGORY 31. GOP AGREED LAST YEAR THAT OVERSHIPMENTS FOR THAT CATEGORY DURING FIRST AGREEMENT PERIOD WOULD BE CHARGED TO SECOND AGREEMENT PERIOD LEVELS. THESE OVERSHIPMENTS AND CARRY FORWARD TOTALED 35 PERCENT OF SECOND AGREEMENT PERIOD LEVEL, AND PAKISTAN IS NOW CLOSE TO EXHAUSTING SECOND PERIOD LEVEL.

5. MUFTI MADE TWO POINTS IN REQUESTING USG CONSIDERATION FOR INCREASE IN CATEGORY 31 LIMIT.

-- A) IMPORTERS OF CATEGORY 31 ITEMS FROM PAKISTAN HAVE TOLD EMBASSY THAT ACTUAL IMPORTS IN YEAR ENDING JUNE 1974 TOTALED 8.2 MILLION SQUARE YARDS EQUIVALENT, AND THAT THEREFORE FIRST AGREEMENT PERIOD LIMIT WAS ACTUALLY A ROLL-BACK IN SHIPMENT LEVELS.

-- B) PAKISTAN EXPORTS IN CATEGORY 31 ARE BAR MOPS, WHICH ARE NOT COMPETITIVE WITH US TOWEL PRODUCTION.

6. INITIAL USG REVIEW OF POINTS MADE BY MUFTI INDICATES:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 088045

-- A) AT THE TIME OF US -GOP BILATERAL NEGOTIATIONS IMPORT DATA AVAILABLE TO USG ON CATEGORY 31, OTHER THAN SHOP TOWELS, FOR MOST RECENT 12 MONTH PERIOD, E.G., YE JUNE 1974, SHOWED 4.158 MILLION SQUARE YARDS EQUIVALENT. FIRST PERIOD AGREEMENT LEVEL WHICH COVERED JULY 1974 - DECEMBER 1975, FOR CATEGORY 31, OTHER THAN SHOP TOWELS, WAS ESTABLISHED AT 6.41 MILLION SQUARE YARDS EQUIVALENT. THIS WAS NOT A

CUTBACK BUT IN FACT AN INCREASE OVER THE IMPORT DATA  
AVAILABLE AT THAT TIME. WE ARE NOW REVIEWING FINAL  
IMPORT DATA FOR YEAR ENDING JUNE 1974.

-- B) BASED ON INFORMATION CONTAINED IN A LETTER  
FROM THE PRINCIPLE US IMPORTER OF PAKISTAN TOWELS TO  
MUFTI, SHIPMENTS INCLUDE MASSAGE TOWELS AND BATH  
TOWELS, AS WELL AS BAR MOPS. IN TERMS OF ACTUAL  
YARDAGE, THE MASSAGE AND BATH TOWELS WERE GREATER THAN  
THE BAR MOPS. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, COTTON, EXPORTS, NEGOTIATIONS, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** saccheem  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE088045  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SFOUTS:HM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760138-0688  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760470/aaaachyr.tel  
**Line Count:** 125  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** saccheem  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 MAY 2004 by woolflhd>; APPROVED <22 SEP 2004 by saccheem>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** S-GOP BILATERAL COTTON TEXTILE AGREEMENT.  
**TAGS:** ETRD, PK, US  
**To:** ISLAMABAD  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006